

NEWS AND NOTES FOR FLORIDA VETERANS

Veterans Service Center, VA Regional Office
St. Petersburg, FL

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The "News and Notes for Florida Veterans" is published monthly by the Veterans Service Center, VA Regional Office, St. Petersburg, Florida, to provide information on VA benefit programs to veterans and dependents in Florida. The material presented does not have the effect of laws or regulations. Please send questions or comments on this newsletter to Veterans Service Center, ATTN: "News and Notes," PO Box 1437, St. Petersburg, FL 33731. We do not have the resources to maintain a mailing list for distribution to individuals; however this newsletter is available on the St. Petersburg VA Regional Office web site at www.vba.va.gov/ro/south/spete.

IT'S TAX TIME Here are the basics on VA benefits and Federal income taxes:

All VA benefits are exempt from taxation and should not be reported to IRS. This includes the VA Work Study Program. Moneys paid to participants in the Work Study program are educational assistance benefits paid under the same Chapter under which the student is receiving educational assistance.

VA does not issue W-2 or 1099 forms, with one exception: amounts of overpayments that are waived by VA are taxable income, and are reported as such to the IRS (1099 form issued).

Secondary interest on VA benefits may be taxable. For example, if a VA beneficiary deposits his or her compensation check in an interest-bearing account, the interest is not tax exempt.

VA benefits are subject to collection for tax liens, i.e. in cases where the beneficiary owes the IRS.

Military Retired Pay: Veterans in receipt of military retired pay who are awarded VA compensation benefits retroactively may claim an exclusion from their income in the amount of VA compensation they would have received had they not been in receipt of military retired pay. Affected veterans should claim the exclusion by submitting the award letter showing the amount and effective date of compensation they would have received but for the receipt of military retired pay. IRS instructions tell affected veterans to submit a "VA Form 20-8993." VA Form 20-8993 is the award letter. If the veteran doesn't have it, VA can provide a letter in lieu of it.

VA Form 21-0172 Certification of Permanent and Total Disability for Internal Revenue Service (IRS) Purposes:

Claimants of the IRS Disability Income Exclusion are required to submit a certificate attesting to permanent and total disability. Under an agreement with the IRS, IRS will accept a VA certification on VA Form 21-0172, Certification of Permanent and Total Disability, based solely on an

existing rating of permanent and total disability in place of the required private physician's statement.

Veterans may request the VA Form 21-0172 by telephone or letter to the VA Regional Office. The request should provide sufficient information to identify the veteran's record, the year for which certification is needed, and the address to which the VA Form 21-0172 is to be sent.

ELIGIBILITY VERIFICATION REPORTS VA uses the Eligibility Verification Report (EVR) to verify the continued eligibility of recipients of its income-based programs (Pension and Parents' Dependency and Indemnity Compensation).

EVRs were initially used throughout the year or whenever income information was needed from a beneficiary. Public Law 103-271 gave the Secretary discretion in requiring annual EVRs. As a result of that legislation, annual EVRs for most beneficiaries who have no income or only social security income have been eliminated. Those beneficiaries exempted from the requirement to file an EVR will receive a letter each year informing them that any change in income or dependency status must be reported to VA. Beneficiaries receiving income-based VA benefits who do not receive either the EVR or the letter should contact VA and verify that VA has the correct mailing address for them.

Release of EVRs to claimants is set for the end of December of each year. A claimant must be in receipt of income-based benefits by the end of August to be included in the current year review. Awards processed in September or later are included in the next year.

The deadline for return of EVRs is March 1. *Failure to return a properly completed EVR when requested to do so by VA will result in suspension and eventual termination of a payee's income-based benefits.*

EVRs should be returned in the envelopes provided to the VA Pension Maintenance Center, PO Box 42000, Philadelphia PA 19101. The VA Pension Maintenance Center can be reached by toll-free telephone number at 1-877-294-6380.

VA DISTRIBUTES 2005 INSURANCE DIVIDENDS (VA News Release December 21, 2004) WASHINGTON - The Department of Veterans Affairs (VA) today announced its distribution of more than \$449 million in dividends to 1.4 million active policyholders of veterans' life insurance. Over the next year, veterans will receive payments on the anniversary date of their policies, with the specific dividend amount varying according to age, type of insurance, and length of time the policy has been in force. Veterans will automatically receive their annual dividend through one of the nine payment options available to them. Dividends cover only veterans with government life insurance policies who served between 1917 and 1956. Veterans of subsequent eras are covered by VA life insurance programs that do not pay dividends. Only those with policies that have been kept in force are eligible for the payout. Inaccurate notices periodically surface in the veterans community suggesting that those who have not maintained insurance are eligible for a special dividend if they contact VA, but this is false. Dividends are automatically sent to eligible policyholders. The dividends represent a return of trust fund earnings on the premiums paid by policyholders throughout the years. They reflect the fact that veterans are living longer than originally predicted. Dividends are also attributable to the higher than expected yields earned by the trust funds from investments in U.S. government securities.

The largest group receiving 2005 payments will be 1.1 million veterans of World War II with National Service Life Insurance ("V") policies. Total payments are expected to reach \$354.1 million. Dividends totaling \$1.45 million will be paid to nearly 10,000 veterans holding U.S. Government Life Insurance ("K") policies. More than 190,000 Korean War era veterans who maintained Veterans Special Life Insurance ("RS" and "W") policies can expect to receive dividends totaling \$80.7 million. Veterans from the World War II era who hold Veterans Reopened Insurance ("J," "JR" and "JS") policies, currently numbering about 49,000, will share a \$12.9 million dividend.

Although VA administers a special life insurance program for disabled veterans and a program offering mortgage life insurance coverage, neither pays dividends. For current active-duty service members and reservists, VA supervises a contract with a private carrier to underwrite Servicemembers' Group Life Insurance. No dividends are paid on Servicemembers' Group Life Insurance, or the version for veterans after military separation, Veterans' Group Life Insurance.

Veterans who have questions about their policy may call the VA Insurance toll-free number at 1-800-669-8477, may send an e-mail to VAinsurance@vba.va.gov, or may visit the web site at www.insurance.va.gov/

IMPORTANT DATES IN JANUARY

January 6 last day to input change of address or establish direct deposit on compensation and pension awards in time for the 02-01-2005 payments

January 17 Federal Holiday - Martin Luther King Day.

January 21 last day to change or cancel direct deposit on compensation and pension awards in time for the 02-01-2005 payments

VA FACILITIES ADDRESSES AND TELEPHONE NUMBERS:

VA Regional Office, St. Petersburg - PO Box 1437, St. Petersburg, FL 33731 **1-800-827-1000**

Regional Processing Office, Atlanta, GA (education claims) - PO Box 100022, Decatur, GA 30031-7022 **1-888-GIBILL1 (442-4551)**

Telephone number for Chapter 30 self-verifications **1-877-823-2378**

Veterans Health Administration Toll-Free Hotline (medical care) - **1-877-222-8387**

VA EFT Information Hotline (electronic funds transfer - direct deposit) **1-877-838-2778**

VA Insurance Center, Philadelphia (VA Insurance) - PO Box 42954, Philadelphia, PA 19101 **1-800-669-8477**

VA Health Administration Center (CHAMPVA and Spina Bifida health care) -

CHAMPVA inquiries: PO Box 65023, Denver, CO 80206-5023

CHAMPVA claims: PO Box 65024, Denver, CO 80206-5024

Spina Bifida inquiries and claims: PO Box 65025, Denver, CO 80206-5025 **1-800-733-8387**

Foreign Medical Program Office (medical treatment abroad) - PO Box 65021, Denver, CO 80206-5021 **303-331-7590**

National Cemeteries

10,000 Bay Pines Blvd N, Bay Pines FL **727-398-9426**

6502 SW 102nd Ave, Bushnell FL 33513 **352-793-7740**

Naval Air Station, Pensacola FL **850-453-4108/4846**

National Cemetery Administration Office of Memorial Programs (headstones and markers) - 810 Vermont Ave NW, Washington, DC 20420 **1-800-697-6947**

Loan Guaranty Eligibility Center (certificates of eligibility) PO Box 20729, Winston-Salem, NC 27120 **1-888-244-6711**

Telecommunications Device for the Deaf (TDD) Unit - Chicago VA Regional Office **1-800-829-4833**

INTERNET SITES OF INTEREST:

VA Web Site: **www.va.gov**

VA Web Automated Reference Materials System (WARMS) **<http://www.warms.vba.va.gov/>**

Property Management **www.ocwen.com**

Florida Department of Veterans Affairs: **www.floridavets.org/**

St. Pete Regional Office: **www.vba.va.gov/ro/south/spete**

